Powers, Pamela From: Sent: Fri. 5 Jun 2020 16:19:59 +0000 To: Subject: Fwd: Professional Services Council Vision Study Invitation 2020 PSC Vision Interview.SAMPLE.docx, PSC Vision 2019 - Department of Attachments: Veterans Affairs. EXCERPTED.pptx I think I would like to participate in this. Can you check with OEI to see if that makes sense. Maybe a (b)(6) and I? Get Outlook for iOS From: (b)(6) (b)(6)palantir.com> Sent: Friday, June 5, 2020 12:08:05 PM ₽va.gov> **To:** Powers, Pamela (b)(6) Subject: [EXTERNAL] FW: Professional Services Council Vision Study Invitation Deputy Secretary Powers -I hope this note finds you safe and well amidst the "new normal" produced by this current public health emergency. My email is a follow-up to the invitation below for a not-for-attribution discussion with myself and the Professional Services Council (we store our corporate hats back in our home offices). These 60 minute discussions have been held annually for decades at VA with executive participation on average of 25-35 people. The outcome does support the VA's mission as we share this summarized information at a late fall conference to educate industry and government. These discussions can be held via teleconference through late-September if it might help with your scheduling. I've attached a sample of questions often used (not all of these are addressed) to create dialogue, as well as a excerpted copy of the 2019 PPT deck we shared at our most recent Vision Conference. I believe your voice is vital for this study, and hope you can consider time on your schedule to meet with PSC. Are there possible dates and times which might benefit your calendar? I do hope to hear from you. All my very best, (b)(6) (b)(6)Palantir | Veterans Affairs (b)(6)

@palantir.com | 202-423(b)(6)

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Date: Thu, 21	May 2020 17:28:58 +	-0000

Deputy Secretary Powers,

On behalf of the Professional Services Council Foundation, this letter requests a one-hour, non-attribution, discussion with you on behalf of the Foundation's Vision Department of Veterans Affairs study team. Due to COVID-19, we will begin scheduling this year's discussions as conference calls, at your convenience. If you are willing to speak with our team, please respond directly to this message.

The Vision Forecast is in its 56th year and delivers a comprehensive and widely referenced federal government budget, technology and services forecast. As we undertake this year's Vision Forecast, over the next several months, hundreds of industry volunteers will be conducting market research and interviews of government executives, industry leaders, think tank experts, financial analysts and Congressional staffs. The study team members represent the full spectrum of the industry, from small businesses, to mid-tier firms and large prime contractors. The meeting is conducted within the Standards of Ethical Conduct for Employees of the Executive Branch and no lobbying will take place.

Last year, over 300 executives like yourself, participated in these one hour "not-for-attribution" discussions, to help us learn about your priorities, insights and challenges. Taken collectively, the results of these discussions and our analyses culminates in the Vision Forecast, which provides important information for both government and industry.

We hope that we can count on your support of the Vision Forecast and that you and/or your staff will participate in the research process. The results of the PSC Vision Forecast will be presented at the two-day conference, located at the Fairview Park Marriott, Fairfax, Virginia, on November 9th and 10th. For your convenience, our conference website can be found at: https://www.pscouncil.org/vision https://www.pscouncil.org/vision.

(b)(6)	Manager, Vision Market For	ecast, is a	vailable to a	nswer any
questions. He car	be reached at (703) 819- ^{(b)(6}	6) ; e-mail:	(b)(6)	pscouncil.org

<mailto<sup>(b)(6)</mailto<sup>	@pscouncil.org> . Thank you again for your support of this important
work. If you have	any questions, or need any additional information, please don't
hesitate to contac	t (b)(6)
Sincerely,	
(b)(6)	
Executive Vice Pr	resident and Counsel

Professional Services Council

The PSC Foundation's mission is to educate executives, policymakers, the media, opinion leaders, and the public on the size, scope, outlook, and impact of federal contracting to achieve the U.S. federal government's missions, advance economic growth, and increase U.S. competitiveness. The PSC Foundation is a 501(c)(3) non-profit, non-partisan affiliate of the Professional Services Council, which is the leading association for the federal contractor. The Foundation develops and disseminates industry, policy, and market research covering topics such as U.S. federal acquisition reform, competition, the burden of compliance, use of commercial best practices, and key procurement requirements development.

2020 PSC VISION INTERVIEW

NAME: ###### #############

DATE/TIME: Tuesday, June 9th @ 11:00AM

VISION TEAM: Veterans Affairs

INTV. CODE: VA####

ADDRESS: Telecon Bridge: 855-392-(b)(6) Participant Code(b)(6)

COMMENTS: Once the team has been confirmed (b)(6) will add them to the invite.

BACKGROUND

######

VISION OVERARCHING THEMES

- Team Intros and PSC not-for-attribution Intro
- In the midst of our "new normal" It's probable the impact of COVID on Veterans and the 4th Mission will dominate VA budget discussions and near-term actions for the remainder of 2020 (if not beyond)
- ######, what do you believe might have been exposed in the VA's ability to execute its mission during the pandemic, and how has it affected your office?
- In response to our current Public Health Emergency, did the Emergency Acquisition Authority initiated by the WH in March aid VA's ability to introduce new ideas and take advantage of technology/solutions assisting leadership decision making, clinical outcomes and Veteran care?
- Given the understandable burden of VA's COVID-19 response, is it conceivable priorities such as EHRM, FMTB and others might shift?

ACQUISITION - (b)(6)

- With the current and quickly evolving situation associated w COVID:
 - Are you seeing fewer procurements due to cancellations or delays?
 - Are you seeing fewer new contract starts vs. contract extensions/bridges?

- With the increased emphasis on telecommuting, will the government be increasing its use in future services support contracts such as Best-In-Class (BIC)?
- Are the category management strategies aligning with your mission needs?

Just-in-case a definition is needed:

Definition of BIC - To be considered for approval a BIC contract is required

- to be Government-wide or multi-agency available
- ongoing reporting of transactional data (i.e., prices paid on a quarterly basis at a minimum)
- ongoing analysis to track performance of the BIC vehicle
- identify areas of improvement and share the information with customer agencies
- and oversight organizations (must hit all 5 criteria):
- Criteria 1 Rigorous Requirements Definitions and Planning Processes
- Criteria 2 Appropriate Pricing Strategies
- Criteria 3 Data-driven Demand Management Strategies
- Criteria 4 Category and Performance Management Practices
- Criteria 5 Independent Validation and Reviews by Category Teams

IT BUDGET - I(b)(6)

- How has the COVID-19 Pandemic impacted your budget going forward?
- PSC presented IT budget observations for VA at our 2019 Vision Conference. Do the following observations still reflect the reality of the organization?
 - o The requested VA IT budget is a 14% increase year-over-year
 - VA IT budget request as a percentage of discretionary has seen a recent spike over the last several FYs
 - o Discretionary budget has also seen a steady increase in funding
 - VA has had a steady increase in DME funding, while the O&M funds seem to be plateauing
 - O&M is funded at the expense of development
 - EHR is a driving source behind the growing IT and DME budget
- Is VA looking at how it can/will implement the MGT Act (Modernizing Government Technology Act) and where do you see its biggest impact?
 - o Have you already submitted a proposal?
 - If not, do you intend to do so?
 - Are you considering applying for a Working Capital Fund?

ITMB (IT Management & Budget) SCORECARD (b)(6)

- The Vision Scorecard is part of our effort to provide a better understanding of VA's priorities for key Federal technology and delivery initiatives and is used to provide a consolidated view of the priorities across the entire Fed government.
- Regarding the President's Management Agenda outcomes:
 - Are you increasing your emphasis on shared services?
 - Regarding the identified Technology and Delivery Focus Areas what are VA's top initiatives driving significant actions? Specifically:
 - What are your key cybersecurity priorities (not opportunities)?
 - What are your key Cloud priorities (not opportunities)?
 - What are the Al/ML priorities (not opportunities) VA is exploring?
 - What emerging technologies are most critical to your Agency's mission outcomes or modernization efforts? (ex. IoT/Edge, Blockchain, Virtual/Augmented Reality, Augmented Analytics, etc)
- For our Scorecard rankings/scoring we are attempting to gather information for two lines of analysis: Emphasis and Trending.
- **EMPHASIS** for PMA pillars: on a scale of 1-3 (1 = Highest Priority, and 3 = Lowest Priority) which of the pillars (Mission, Service, Stewardship) are more important to VA?
 - MISSION
 - SERVICE
 - STEWARDSHIP
- **EMPHASIS** for Technology: on a scale of 1-4 (1 = Highest Priority, and 4 = Lowest Priority) which of these are more important to VA?
 - CYBERSECURITY
 - CLOUD
 - AI/ML
 - EMERGING TECHNOLOGY
- TREND for PMA pillar: compared to last year (same, increasing or decreasing) is VA focusing more resourcing and spending:
 - MISSION
 - SERVICE
 - STEWARDSHIP

- TREND for Technology: compared to last year (same, increasing or decreasing) is VA focusing more resourcing and spending:
 - CYBERSECURITY
 - o CLOUD
 - AI/ML
 - EMERGING TECHNOLOGY

BUSINESS OPPORTUNITIES (b)(6)



- Can you share any of the key initiatives/opportunities (IT and non-IT) in the pre-RFP stages for the next 18 months to 24 months? 24 months to 5 years?
 - o In your view, which are the most critical/high priority projects or programs that are facing your organization?
 - Has COVID-19 impacted your priorities for opportunities?
- Are you exploring using best-in-Class vehicles, and moving to a task order/ procurement approach?
- Of the key emerging/enabling technologies we'd discussed is VA considering implementation of these over the next 3-5 years?
 - Which of these technologies do you believe will have the biggest impact on the way your agency does business?
 - o What are the "Disruptive" technologies?

MESSAGES TO INDUSTRY, RECOMMENDATIONS, SUMMARY

- If in any way, how has industry failed to meet your expectations?
- How might industry/professional/trade associations, such as PSC, support **VA's mission and goals?** (delivering white papers, round table sessions, etc)
- Are there others you would recommend for us to interview to get a broader perspective on acquisition in VA? (Recommendations)





VA U.S. Department of Veterans Affairs Agenda

Slide	Topic Area
3	VA VISION Team Members
4	VA - Bottom-line Up Front (BLUF)
5	Department Overview, Information & Organization
34	VA Budget
41	Business Opportunities
49	VA Acquisitions
65	Voice of the Customer & Summary
68	Go-To References
70	Acronyms
73	Backup Slides

VA - Bottom Line Up Front

VA Electronic Health Record (EHR) System Modernization

 EHRM is top priority for VA; closely aligned with DoD/DHA implementation of Cerner Genesis;
 Successes and challenges will drive changes, process realignment, and opportunities across the Department

The Mission Act

- Implementation a major focus for VA and the Hill; driving a number of industry opportunities
- The trend toward expansion of community care is a shift in what VA funds and how it serves Veterans going forward
- o Driving discussions on VA medical facilities realignment and closures

Veteran Experience

- Secretary Wilkie's "Prime Directive" is to improve the Veteran's Experience.
- o Veteran Experience continues to be a major focus across the Department.
- o The Veteran Experience Office drives and influences implementation.

Reactive nature of Agency

 The agency is often forced to react to various IG Reports, GAO Reports, press articles, and congressional hearings throughout the fiscal year. THIS MEANS OPPORTUNITY FOR INDUSTRY!

The Department of Veterans Affairs

Second Largest U.S. Federal Agency

Size of a Fortune 10 Company

Over 350,000 Federal Employees Across the US and Abroad

VA Supports 20 Million U.S. Veterans

145 Hospitals and 1,231 Outpatient Facilities, Making VA the largest Health Care Organization in the U.S.

56 Regional Benefits Offices

135 Veteran Cemeteries













Service

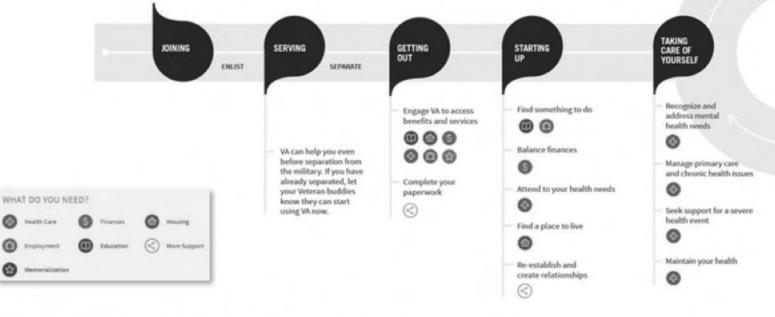
Transformation

Collaboration

Download the VA Welcome Kit

VA from the Veteran's Perspective

Veteran Journey Maps* identify VA care and benefits services available to Veterans, their families, caregivers and survivors at different stages of their lives.



PUTTING DOWN ROOTS Revisit housing Maintain your health Take care of your family Save for your retirement Connect with and

Translate your military skills

Build your professional reputation

Build your local network

Get the appropriate education, skills, and credentials

Find the right job

0 0

BUILDING CAREER

Manage and maintain your health Adapt your support network to your new needs Decide how and where to be memorialized Schedule and plan a funeral service Seek survivor benefits Maintain social and community connections AGING Find additional sources of income Take care of your health Participate in meaningful activities

RETIRING

Courtesy of the Veterans Experience Office (VEO)

serve your community

^{*} Veteran Journey Maps are foundational to VA's Strategic Plan, available at: www.va.gov/oei/docs/VA2018-2024strategicPlan.pdf

VA's Strategic Priorities - 2019-2024

Secretary's Priorities MISSION Act Electronic Health **Business Customer Service** Implementation Record (EHR) **Transformation** Additional Areas of Focus Suicide Prevention ✓ VA and DoD Collaboration **Wait Times** ✓ Accountability ✓ Community Living Centers √ Women's Health Hiring and Vacancies **Department Strategic Goals**

Veterans choose VA for easy access, greater choices, and clear information to make informed Decisions

For more information go to www.va.gov/performance/

- Veterans receive highly reliable and integrated care and support and excellent customer service that emphasizes their well-being and independence throughout their life journey.
- Veterans trust VA to be consistently accountable and transparent
- VA will transform business operations by modernizing systems and focusing resources more efficiently to be competitive and to provide world-class customer service to Veterans and its employees.

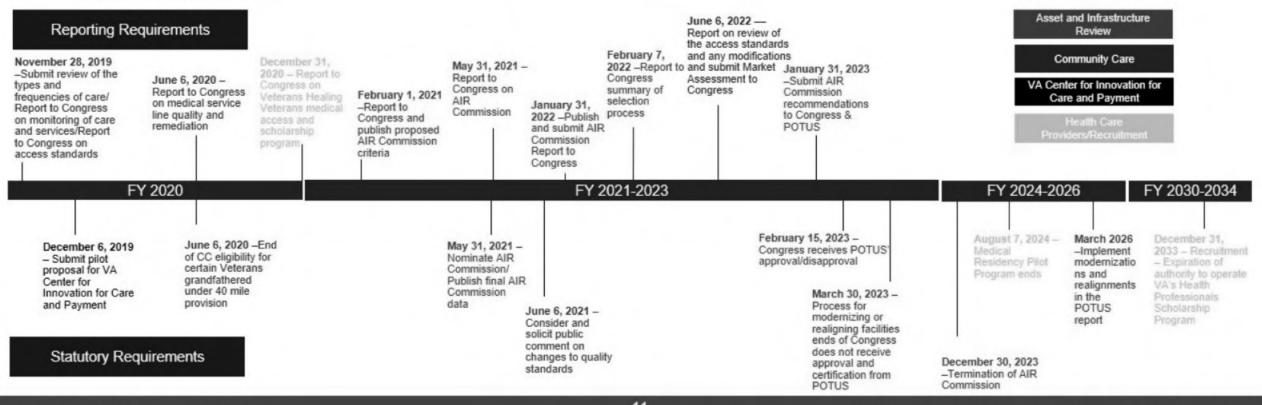
When marketing VA, you need to tie what you are selling to these Priorities and Areas of Focus

VA Mission Act of 2018

- Established a new permanent Veteran Community Care Program, replacing the Veterans Choice Program.
- Expands caregiver assistance.
- Establishes an asset and infrastructure review process.
- Provides statutory authorities to help VA recruit and retain health care providers.

Per the Mission Act, VA established the Community Care Network contracts for Third Party Administrators to develop and administer regional networks of health care providers.

Six contracts (Regions 1, 2, 3 – Optum; Region 4 – TriWest; Regions 4, 6 – TBD)



VA Electronic Health Record Modernization (EHRM)

Background:

VA has been using over 130 instances of VistA, a 30 year old Electronic Health Record (EHR) and Electronic Resource Planning (ERP) system, to support VHA's clinical and health business operational needs. Functional and technical experts concluded that VistA was not sustainable and could not deliver critical capabilities, such as interoperability needed within VA, with DoD and community providers in a cost-effective way.

- contract to Cerner to acquire the same Electronic Health Record (EHR) system being deployed by DoD
 This single common system to enable sharing of health information, improving care delivery and coordination, and
 - This single common system to enable sharing of health information, improving care delivery and coordination, and providing clinicians with data and tools that supporting patient safety.

On May 17, 2018, VA awarded a ten-year, \$10 billion dollar

- The EHR rollout business transformation will occur over many years in which EHRM and VistA will run simultaneously, enabling the seamless transition of care.
- VA will continue to work closely with DoD to ensure lessons learned are used to capture best practices to optimize the EHR deployment.
- Initial Operating Capability (IOC) deployment in VISN 20 is scheduled for March 2020. VA will use the IOC experience to identify inefficiencies, optimize schedule, hone governance, refine configurations, and standardize processes.







EHRM is a huge program with many moving parts... and lots of opportunity for industry

Other Business Transformations



Financial Management Business Transformation (FMBT)

- Enterprise-wide integrated Financial and Acquisition Management System (iFAMS) with transformative business processes and capabilities to enable VA to meet its goals and objectives, in compliance with financial management legislation and directives, ultimately enhancing service to the Veterans.
- iFAMS replaces outdated legacy FMS, increasing transparency, accuracy, timeliness and reliability of financial information, improving fiscal accountability to American taxpayers.
- Selected CGI's Momentum COTS FMS and acquisition system, implemented in Microsoft Azure as a SaaS solution.

- Led by Office of Management (OM) Office of Finance (OF) in collaboration with OI&T and Office of Acquisitions, Logistics, and Construction (OALC), with support from Program Advisors and SMEs from both Government and Industry.
- VA program partners: Financial Services Center (FSC), Debt Management Center (DMC), Office of Internal Controls (OIC), Office of Financial Policy (OFP), and Office of Financial Process Improvement & Audit Readiness (FPIAR).
- Expects increased operational efficiency, productivity, agility, and flexibility from the modern Enterprise Resource Planning (ERP) cloud solution, along with additional security, storage, and scalability to address future demands.

VA is undergoing multiple high priority, enterprise-wide, cross program transformation initiatives

Other Business Transformations

The VA Logistics Redesign (VALOR) Program Management Office (PMO) will be implementing the Defense Medical Logistics Standard Support (DMLSS)/LogiCole solution as VA's new Enterprise Supply Chain Management System.

Supply Chain Management (SCM) Modernization

VA must have a fully integrated supply chain to ensure the quality, safety, data utilization and operational support of the materiel for Veteran care.

- A health care logistics system with a medical supply chain management capability (that is proven, standardized, scalable)
- Support the supply chain by allowing VA to realize future acquisition and delivery methods, leveraging existing government opportunities, and lifecycle management efficiencies
- Facilitate enterprise wide integration and data sharing with systems supporting Electronic Health Record Modernization (EHRM) and Financial Management Business Transformation (FMBT) programs



Migration to DOD DMLSS/Logicole

- VA has signed an agreement with DOD to use DOD's electronic Supply Chain Management system (eSCM), collaborate on implementation, and use DOD MedCOI managed services.
- The Defense Medical Logistics Standard Support (DMLSS) is DOD's eSCM system that tracks medical materials, equipment, war reserve material, and performs facility management functions.
 - Allows customers to select and order medical supplies for the best value
 - Implements just-in-time logistics, eliminating large stock inventory
 - Helps hospitals manage facilities and maintain medical equipment
- Logicole is the next generation, cloud/SaaS version of DMLSS that will be adopted by both DOD and VA over the next several years

DMLSS/Logicole migration is being supported by DHA JML FDC and DoD MedCOI

Drivers - External

White House/Administration

- Influence over VA leadership and mission execution
- Emphasis on shared services, managed services, and outsourcing
- Expansion of Community Care/Choice
- ONC Trusted Exchange Framework and Common Agreement (TEFCA) – driving interop and standards-based exchange of health data

Capitol Hill (SVAC/HVAC/Appropriations/GAO)

- Oversight agenda largely focused on implementation of congressional priorities (Mission Act, Accountability Bill, Colmery Act/Forever GI Bill, Appeals Modernization Act, Blue Water Navy, etc.)
- Spotlight continues to shine on EHRM
- The Senate has not marked VA appropriations
- GAO "High Risk list"

The Press

Negative News driving public opinion and Administrative actions

Changes in Makeup & Needs of the Veteran Population

- Younger veterans entering the system Have different needs from and expectations for VA
- Addressing needs of Women Veterans the fastest growing cohort across veteran population

Veterans Service Organizations (VSO) & Advocates

 Critical issue: implementation Mission Act, particularly Caregiver Support expansion

DoD/DHA

 Mandate on focused collaboration to achieve interoperability and technology alignment (e.g., FEHRM, EHRM, Supply Chain, etc.)

Unions

 Continue to influence/ protect employee-centric engagements

Drivers - Internal

Realignment of Business/Service Functions

- Delayering to reduce costs and focus staff
- Evolution towards "outsourcing" VA services
- Union stronghold influencing decision making but losing ground with administration

Cultural Change

- Engaging the employees for ideas and buy-in
- Exploring new possibilities and taking [managed] risks to adopt new approaches
- VA Whistleblower Program

Getting to Ready on EHRM, FMBT, and SCM

- Technology Implementation
- Interoperability
- Organizational Change Management

Accountability and Performance Management

- Ties to MISSION Act focus on the Veterans
- Alignment to PMA and TBM Goals

Acquisitions

- Vet First Contracting
- Buy Smarter, Consolidate, Shared Services, Managed Services

Mission Act and increased care in community

- Unknown future impact on VA care coordination, funding, VA facility use vs community
- FWA concerns

Office of Enterprise Integration (OEI)

- OEI taking lead on many modernization initiatives and is lead for Mission Act implementation
- Chief Data officer

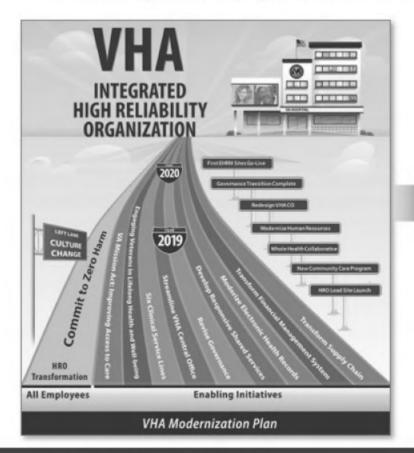
Veteran Experience Office (VEO)

- Consolidating Contact Centers
- Employing Human Centered Design (HCD)
- Experience Officers in the field as well as VACO presence

A newfound optimism across VA is more likely to result in successes

VHA Transformation and Modernization

- VHA's is leveraging the healthcare High Reliability Organization (HRO) model as it's managerial framework to drive transformational change and achieve modernization.
- The HRO approach will focus on continuous improvement and enhancing Veteran/customer experience.
- VHA will resolve its enterprise risks of underperformance by focusing on the Secretary's priorities and executing clinical, operational and administrative improvements across 10 primary lanes of effort.



www.visionforecast.org

HRO Focus Area	VHA Lanes of Effort
Learning Organization	Commit to Zero Harm
Structure	Streamline VHA Central Office (VHACO)
Structure	3. Develop Responsive Shared Services
Operational and Clinical	 Reduce Unwarranted Variation Across Integrated Clinical and Operational Service Lines
Integration	5. Deliver 21st Century Whole Health and Mental Health
Governance and Decision-Making	 Revise Governance Processes and Align Decision Rights, Starting with VA Medical Centers (VAMCs), Continuing with Veterans Integrated Services Networks (VISNs), and Finishing with VHACO
Leadership, Accountability, and Responsibility	 VA Mission Act: Improving Access to Care Conduct Market Assessments Consolidate Veterans Community Care Pathways
Modern IT Systems	Modernize Electronic Health Records Transform Financial Management System Transform Supply Chain

Office of Information Technology

- An annual budget of \$4.103 billion
- 6000+ approved tools in technical reference model
- 130+ instances of VistA
- 60 percent of 7,861 OIT employees are Veterans; workforce also includes 8,000 contractors
- 1,500+ active contracts to date
- 200 development projects, 194 of which were shared with the open source community since January 2016
- 274 data centers and 640 systems and applications
- 39 prioritized cybersecurity projects to mitigate vulnerabilities

- Blocked 581,918,890 malware attempts in 2018
- 779+ million documents and 4 billion images in VBMS
- 1.5 million data elements exchanged between DoD and VA daily
- 361 Information System Security Officers

Key Functions and Activities







and Services



IT Resource Management





Service



Org information is provided in backup slides

VA Digital Transformation Strategy

FOUR Guiding Principles











Transparency

Accountability

Innovation

FIVE Imperatives/Goals







Modernization



Strategic Sourcing



IT Workforce Transformation



Seamless and Secure Interoperability

SIX Focus Areas



Manage Data



Migrate to the Cloud



Cybersecurity



Digitize Business Processes



Decommission Legacy Systems



Recruit and Retain a World-Class IT Workforce

VA's priorities help focus OIT's energies to maximize their impact on Veteran care and services and strengthen VA's stewardship of taxpayer resources

EXCEPTIONAL CUSTOMER EXPERIENCE

Deliver exceptional customer service by reinvigorating partnerships with VA business lines to understand customer needs, align them with true business problems, and deliver IT solutions based on Veteran-centered design and product management, culminating in a world-class customer experience.

SECVA PRIORITY: CUSTOMER SERVICE

IT MODERNIZATION

Drive IT and VA capability modernization through digital transformation, refreshing and decommissioning software and infrastructure, and an OIT business value framework that are designed around customer-driven requirements, with an objective to improve ROI by 10%

SECVA PRIORITY: IMPLEMENTING MISSION ACT

STRATEGIC SOURCING

Transform procurement and acquisition processes to support aggressive modernization efforts by optimizing all available sourcing capabilities and streamlining processes for selecting the right capability for each digital transformation requirement.

SECVA PRIORITY: TRANSFORMING OUR BUSINESS SYSTEMS

IT WORKFORCE TRANSFORMATION

Inspire a culture of digital transformation, IT modernization, and customer service in every OIT employee through education, training, reskilling, and professional certifications, while transforming recruiting efforts to make OIT an employer of choice for next generation IT workers, boosting recruitment of next generation professionals from 0.5% to 10%.

SECVA PRIORITY: TRANSFORMING OUR BUSINESS SYSTEMS

SEAMLESS AND SECURE INTEROPERABILITY

Achieve seamless and secure data interoperability across VA, DoD, Federal, and commercial partners by identifying, documenting, and disseminating well-defined, standardized, and secure design, interfaces, and processes to access authoritative data that streamlines the Veteran experience

SECVA PRIORITY: ELECTRONIC HEALTH RECORD MODERNIZATION

OIT Major IT Programming Initiatives (MPIs)

- Blue Water Navy (BWN)/VBA
- MISSION Act
- Colmery Act/GI Bill
- Cloud/Cloud Migration
- Veterans Benefits Management System (VBMS)
- Financial Management Business Transformation (FMBT)
- Telehealth/Telemedicine

- Cyber Security
- VA/DoD Collaboration
- Infrastructure Readiness Program
- DMLSS/LogiCole/VALOR
- Digital Health Platform
- VIEWS
- VSignals (Voice of the Customer)
- Memorials Business Management System (MBMS)

These are things to keep an eye on if you are in the IT space

Notable Changes Over Past Year

Topic	What's Out	What's In
Organization	Competency-based org structures	Product Line Management (PLM); VISN/VAMC innovation, new advisory groups cross administration
Budget	Programs	Portfolios
Information Technology EPMO and ITOPS		 OIT DevOps → DevSecOps Cloud, DHA influence (DMLSS, Cerner), APIs Continuous everything
Acquisitions	Primary emphasis on SDVOSB set- asides	SDVOSB set-asides to include SDVOSB JV's, Exclusive teaming requirements, more transparency & industry days
DoD/VA	Inter-Agency Program Office (IPO)	Federal Electronic Health Record Modernization (FEHRM) Office
Service Design Customer Experience (CX)/User Experience (UX)		Human Centered Design (HCD) / User Centered Design
IT Capability Development Agile Development		DevOps Ready Release Process leveraging SAFe tied to ITIL/ITSM centric operational approaches
Healthcare	VA for Primary Care	 Community Care for Primary Care support (MISSION Act) Veteran centric, Care Coordination, Longitudinal Care TEFCA mandating standards-based data interoperability

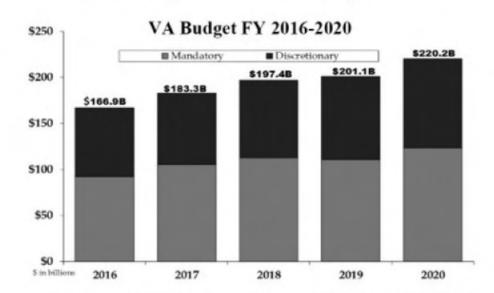


VA U.S. Department of Veterans Affairs **VA** Budget



VA FY20 Discretionary & Mandatory Funding

VA Budget Annual Comparison



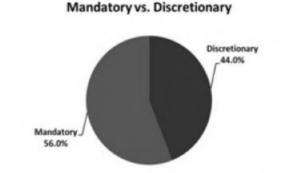
- The Total FY20 Budget Request for VA is \$220.2 billion
 - A 9.5 percent increase over FY19... a \$53B or 32% increase over 2016
 - Includes a discretionary budget request of \$97.0 billion (with medical care collections).
 - Funds highest priorities: MISSION Act, Electronic Health Record Modernization (EHRM), Business Transformation, Customer Service
- 2020 request supports VA staff of 393,803 Full-time employees

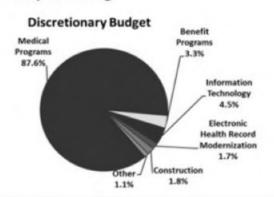
VA Budget History 2010 - 2020

		Actual						Budget			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Mandatory ^{1/}	71.3	66.4	65.5	74.8	102.4	95.1	92.5	105.5	112.3	110.9	123.2
Discretionary	53.1	56.3	58.5	61.4	63.4	65.1	70.9	74.3	81.6	86.6	93.1
MCCF	2.8	2.8	2.8	2.9	3.1	3.2	3.5	3.5	3.5	3.6	3.9
Total VA ^{2/}	127.2	125.5	126.8	139.1	168.9	163.5	166.9	183.3	197.4	201.1	220.2

^{1/2014} Mandatory includes \$15 billion provided by the Veterans Choice Act, and an additional \$2.1 billion in 2017, and \$7.3 billion in 2018.

2020 Discretionary and Mandatory Funding

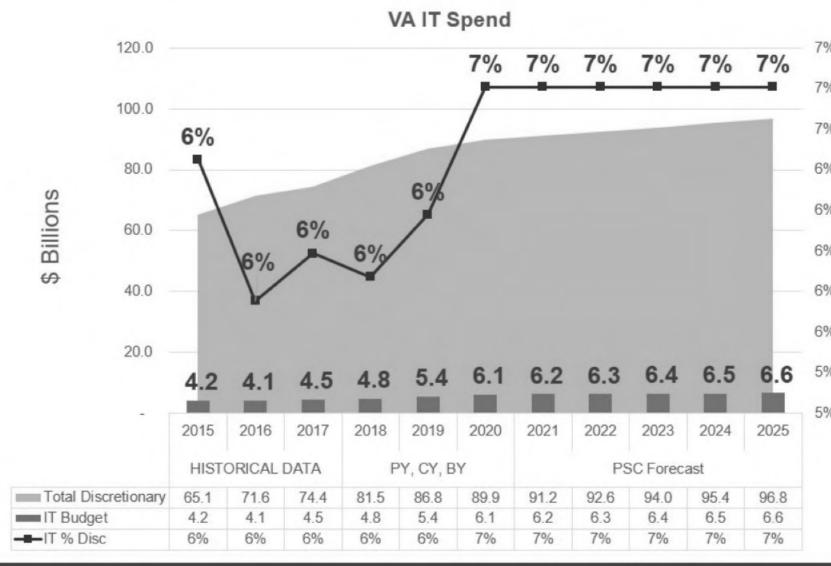




"The budget request will ensure the nation's Veterans receive highquality health care and timely access to benefits and services" - VA Secretary Robert Wilkie

^{2/} Totals may not add due to rounding

VA - Draft IT Budget Forecast (including % of Discretionary Spend)



Observations:

- The requested VA IT budget is a 14% increase Year over Year
- VA IT budget request as a percentage of discretionary has seen a recent spike over the last several FYs.
- Discretionary budget has also seen a steady increase in funding.
- VA has had a steady increase in DME funding as well, while the O&M funds seem to be plateauing. That said, O&M is funded at the expense of development.
- EHR is a driving source behind the growing IT Budget and DME Budget.

FY20 IT Budget Priorities

- FY20 requests \$4.3 billion for IT
 - Excludes EHRM funding (see below)
 - \$1.2 billion Pay and associated costs
 - \$2.7 billion Operations and maintenance (O&M)
 - o \$401.2 million Development
- Major investments include
 - \$36 million to support implementation of MISSION Act
 - \$27.3 million for Infrastructure Readiness
 - \$50 million for the VA Enterprise Cloud solution
 - \$70.2 million to support the replacement of the Benefits Delivery Network
 - \$66 million to support the replacement of the Financial Management System
 - \$36.8 million to support the Supply Chain Management LogiCole Enterprise Solution (formerly DMLSS)
- EHRM funding is in addition to the IT spend
 - \$1.6 billion for activities related to the development and rollout of a new VA EHR, of which \$1.1 billion is for the EHR contract

Information Technology Development Projects (\$ in thousands of dollars)		
Clinical Applications		
My HealtheVet	\$	10,580
Healthcare Administration Systems	s	9,559
Health Data Interoperability	5	8,901
Registries	\$	3,870
Subtotal Clinical Applications	\$	32,910
Health Management Platform		
Community Care	\$	42,868
Patient Records System (CPRS)	\$	9,789
Digital Health Platform	\$	9,620
Purchased Care	\$	7,060
Telehealth Services	\$	5,830
Pharmacy	5	5,523
Subtotal Health Management Platform	\$	80,690
Benefits Systems		
Veterans Customer Experience (VCE)	\$	62,569
Benefits Systems	\$	32,433
Education Benefits	\$	17,070
Veterans Benefits Management	\$	16,417
C&P Claims	\$	4,267
Benefits Appeals	\$	4,067
Subtotal Benefits Systems	\$	136,823
Memorial Affairs		
Memorials Automation	\$	13,877
Subtotal Memorial Affairs	\$	13,877
Other IT Systems		
Financial and Acquisition Management Modernization	\$	57,695
Supply Chain Management	\$	36,785
Innovations (VACI)	\$	6,000
Subtotal Other IT Systems	\$	100,480
Cyber Security		
Cyber Security	\$	16,600
Subtotal Cyber Secruity	\$	16,600
Information/Infrastructure Management		
Data Integration and Management	\$	19,900
Subtotal Information/Infrastructure Management	\$	19,900
Grand Total	\$	401,280

Agency Management Priorities

Management/Governance Areas	Emphasis	Key Observations / Significant Actions
Key PMA Drivers/Goals	High	Modernization, Cost Savings, Workforce
IT Modernization	High	Significant investments in <u>multiple</u> modernization initiatives, including EHRM, FMBT, Supply Chain, Appeals, Contact Centers; affecting cultural with major challenges; significant mission impacts
Data Accountability	High	Creating single authoritative source of Veteran contact information (Vets360); Evolving single source of Veteran Health Data (VistA vs Cerner HealtheIntent) – New Chief Data Officer Appointed
Workforce	High	Addressing employee retention; educational requirements for IT and cybersecurity positions; evolving new hiring capabilities
Customer Experience	High	MISSION Act; development of veteran-facing applications on multiple IT delivery platforms; creating APIs to connect legacy and external systems
Technology Business Management (TBM)	High	Focus on IT Product Lines and Services impacting Business Capabilities; At Stage 2; CIO-CFO working on Agency FM modernization; refining data analytics/visualization to optimize purchases, improve informed decision making and outcomes. Restructure sustainment investments
Technology & Delivery Focus	High	Transformation and modernization impacting core business functions and staff at enterprise scale
Cybersecurity	High	Comprehensive; enterprise remediation, patching, and testing; CDM and zero day threats
Cloud	High	Reimagining the way the Cloud supports VA; move to Azure and AWS, with VA Private Cloud in FY20/21?; migrating over 300 applications to the Cloud; assessing TIC 3.0; [still] implementing O365
Shared Services	High	Expanding use of Shared and Managed services across enterprise business and support areas
Emerging Technology	Medium	IoT-IIoT; Health focused on new medical devices; Telehealth/Telemedicine; advanced analytics and AI; Robotic Process Automation (RPA) of repetitive tasks, workflows, and system triggers; blockchain/SCM
Other Critical IT Initiatives	High	Transformation and modernization all core business processes, functions, and systems; DoD/VA collaboration and data exchange to achieve seamless and consistent longitudinal care



VA U.S. Department of Veterans Affairs

Business Opportunities

Business Opportunities (Page 1 – 6)

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Opportunity / Contract	Portfolio	Customer	Est. TCV	Est PoP	Quarter	FY	Status
Integrated Healthcare Transformation (IHT) IDIQ (* NOW *)	Health	VA	\$2B	5 yrs	Q1	2020	G
Financial Services Center (FSC) Software Development Services (* NOW *)	Corporate	FSC	\$54M	5 yrs	Q1	2020	G
Security Architecture and Software Assurance for Identity and Access Management (IAM)	Enterprise	EPMO/EPMD	\$30M	4 yrs	Q1	2020	Υ
Transformation Twenty-One Total Technology Next Generation (T4NG) - On-Ramp	Acq/Enterprise	OALC TAC	\$15B	5 yrs	Q1	2020	G
Standards and Terminology Services (STS) Sustainment	Health	EPMO/EPMD	\$12M	3 yrs	Q1	2020	R
Information Technology Service Management (ITSM) Support Services	Enterprise	OIT	Greater than \$5,000,000	5 yrs	Q1	2020	G
Enterprise Testing Service Support Services (ETSSS) (TAC-20-49693)	Enterprise	OIT	Greater than \$5,000,000	5 yrs	Q1	2020	G
PVaaS (TAC-20-51480)	Enterprise	OIT	Greater than \$5,000,000	3 yrs	Q1	2020	Υ
Cisco Business Critical Enterprise Service Agreement (TAC-20-53098)	Enterprise	OIT	Greater than \$5,000,000	3 yrs	Q1	2020	G
NetApp Hardware and Software Maintenance Renewal (TAC-20-55721)	Enterprise	OIT	Greater than \$5,000,000	5 yrs	Q1	2020	G

VA Business Opportunity Forecast: www.vendorportal.ecms.va.gov/eVP/fco/FCO.aspx

G: Well-defined program with high confidence of adequate funding

Y: Program is not adequately defined and/or has moderate risk to viable funding

R: Program threatened by weak support in Congress or Administration



Observations & Challenges - Opportunities

- Continued focus in FY20 on execution of IT Modernization (EHRM, FMBT, Supply Chain), Cloud Migration, and will award and execute contract for Infrastructure and O&M Managed Services consolidations
- Large volume of FY20 IT acquisitions for enterprise licensing, maintenance renewals and Telecom and IT infrastructure upgrades and support - to help buy down "Technical Debt"
- The volume of opportunities in FY20 may be reduced as funding goes to major modernization priorities
 - EHRM/Cerner implementation and FMBT consuming majority FY20-23 DME funding
- SCM efforts to implement DoD's DMLSS/Logicole are sluggish and remain underfunded; may emerge with viable opportunities in FY20/21 - may be contracted through DHA JML FDC as a service
- Enterprise acquisitions affected by FITARA and Strategic Sourcing
 - Continued interest in Strategic Sourcing and Category Management acquiring more Managed Services, including Infrastructure, Cloud, Design/Development Centers, and Contact Centers.
 - Waiting to see how VA embraces managed services and strategic sourcing
- Major Vehicle Acquisitions anticipated:

• T4NG On-Ramp
• VA VIP registered SDVOSB & SDVOSB JV Primes only – allows for non-SB partnerships
• VA continues to procure services and systems by implementing COTS products and (in some cases) copying DOD

Could be a tough several years for non-SDVOSB's and those not already working in VA



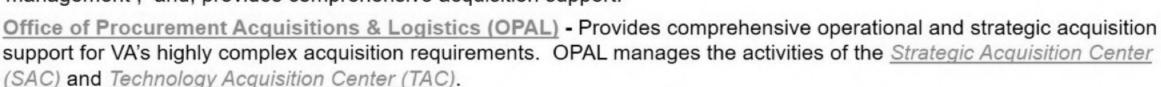
VA U.S. Department of Veterans Affairs Acquisitions

About VA Procurement & Logistics

Office of Acquisition, Logistics, and Construction (OALC) is a multifunctional organization responsible for directing the acquisition, logistics, construction, and leasing functions within the Department of Veterans Affairs.

OALC provides direct operational support to the Department's administrations and staff offices through its three major organizational components: Office of Acquisition & Logistics, Office of Construction & Facilities Management, Office of Procurement Acquisition and Logistics

Office of Acquisition and Logistics (OAL) - Develops and assesses compliance with procurement policy and overseeing procurement internal control and risk management functions; develops logistics policy to optimize supply chain, order fulfillment, and spend management; and, provides comprehensive acquisition support.



Office of Construction and Facilities Management (CFM) - responsible for the planning, design, and construction of all major construction projects greater than \$10 million. In addition, acquires real property for use by VA elements through the purchase of land and buildings, as well as long-term lease acquisitions. CFM contracting opportunities may be found here.

VA has a complex acquisition environment - knowing how it works will yield greater success!





ACQUISITION



What is VA buying?

Health

- VA is spending significant amounts of money on physician services, pharmaceuticals, and medical equipment - \$10.8 billion annually.
- In FY 2019, VA spent over \$2.5B on community care through the Patient Centered Community Care/Choice Contract, the new CCN contract, and the Nationwide Dialysis Services contract.
- Because VHA spends significant amounts of money on complex medical equipment and pharmaceuticals, items
 not manufactured by small businesses, the percentage of VHA dollars going to small businesses is
 disproportionately smaller, compared to other buyers in VA.

Benefits

- Acquisitions centered on paperless application processing, business process automation, contact center consolidation, appeals modernization, and improving veterans experience
 - Scanning and Doc Conversion, Processing services, managed services, etc.

Construction & Facility Management

 The VA has requested \$1.2 billion in Major Construction and \$399 million in Minor Construction for priority infrastructure projects. Construction buys will continue, even as VA looks to possibly decommission under-utilized facilities.

Information Technology

- o Cerner continues to be the primary focus (directly and directly) on what VA IT is buying
- IT acquisitions will focus on annual software license renewals, COTS acquisitions and implementation, and larger managed services contracts
- Innovations around Telehealth/Telemedicine, Mobile Telehealth, Mobile apps, Al and analytic platforms, etc.
- o Addressing Technical Debt: Telecom: platforms and equipment, circuits, cell phones, storage, infrastructure, etc.

Observations & Challenges – Acquisitions

Competitive Procurements

- "Veteran-First" preference, limited forecasting, preferred tools/vehicles, short acquisition lifecycle/response time – historically resulted in limited competition and a high percentage of incumbent awards
- Trying to encourage competition by sharing information, holding periodic industry briefings TAC and SAC offer a steady stream of technical and non-technical requirements Preference on VA contracts
- T4NG serves as predominant contracting tool for IT opportunities not a "Best In Class" due to not being a GWAC
- Rule-of-Two Kingdomware can be a challenge. 21% of all contracted \$'s to SDVOSB's
- Significant LOB contracting is supported by the NAC, SAC and VHA Procurement & Logistics Office generally non-technical requirements, but includes "Non-IT IT" acquisitions
- OALC encourages Government/Industry collaboration/interaction during market research phase
- Veteran Employment and Veteran Engagement may be evaluated
- Continued reliance on Industry to bring significant staff resources and SMEs with requisite KSAs across all business lines
- LPTA rules despite lip service otherwise.

Partnering with an SDVOSB should be a core part of your VA go to market strategy



VA U.S. Department of Veterans Affairs

Voice of the Customer & Summary

Voice of the Customer & Messages to Industry

- "Industry should spend time getting to know the customer [VA] and understand our problem."
- · "... need to understand how the government works and the weird regulations of government"
- "How do we offset/manage where we're trying to go, leveraging success across entire federal government, without leaving small businesses behind?"
- "Industry should come up with a protest vetting committee, where if a members want to protest, they can be judged by peers to see if there is enough there... and if so, they can proceed."
- "Industry experts should be involved in integrated process teams and at the table, as we try to define specific VA requirements."

- "Partner w/VISN's and Medical Centers."
- "Help make sure that the government is asking for the right things."
- "Show VA how your core capabilities can help—here is how you do it today - here is how our technology or service can help the VA; what makes you a step ahead of your competitors."
- "We rely on industry input from RFIs to help make informed decisions on whether to submit proposals based on info provided."
- "Need people that know interoperability."
- "If you know that three VISNs are doing the same thing, bring that to our attention."

"Market to the future vision."

VA genuinely wants to hear from their industry partners, and is truly interested in trust-based partnerships across all initiatives



Summary

- VA has a clear mission and has been executing on that mission for years.
- VA funding profile remains relatively consistent with PSC's annual forecast.
 - Continued focus improving Veteran experience resulting in significant opportunity for industry partners.
 - EHRM, FMBT and other Modernization initiatives continue to consume a majority of discretionary funding across VA.
- Throughout the year, VA has to address IG and GAO reports, press coverage, congressional oversight & investigations, and the White House – leading to opportunity for industry.
- Vet-first contracting makes VA a prime target of SD/VOSB's with major acquisitions set-aside across all VA business lines.

- VA is at a critical point where now Veterans have the ability to seek more care in the community.
 - Whether or not Veterans choose to receive their care in the community or @VA will have a near-term impact on the Department, and may have significant long-term implications for VA.
- Organizational challenges present problems in setting consistent strategy across all lines of business.
 - Affects hiring and retention, budget priorities, industrial base and, as a result, desired and measurable outcomes.
- Outside of MISSION Act and Modernization priorities, IT business opportunity volume will likely be down in FY20-21 compared to prior years.

Understanding VA's unique challenges and culture play an important role in developing an informed strategy for partnering effectively with VA to help achieve its lofty mission goals and objectives

Thank you

For additional information about this presentation or the PSC VISION Conference please contact:

